

AMENDED IN SENATE APRIL 10, 2007

SENATE BILL

No. 46

Introduced by Senator Perata

December 22, 2006

An act to ~~amend Section 53546 of~~ *add Sections 53545.12 and 53545.14 to* the Health and Safety Code, relating to housing.

LEGISLATIVE COUNSEL'S DIGEST

SB 46, as amended, Perata. Housing and Emergency Shelter Trust Fund Act of ~~2006~~. *2006: Regional Planning, Housing, and Infill Incentive Account.*

The Housing and Emergency Shelter Trust Fund Act of 2006 authorizes the issuance of bonds in the amount of \$2,850,000,000 pursuant to the State General Obligation Bond Law. Proceeds from the sale of these bonds are required to be used to finance various existing housing programs, capital outlay related to infill development, brownfield cleanup that promotes infill development, and housing-related parks. The act establishes the Housing and Emergency Shelter Trust Fund of 2006 in the State Treasury, requires the sum of \$850,000,000 to be deposited in the Regional Planning, Housing, and Infill Incentive Account, which the act establishes in the fund, and makes the money in the account available, upon appropriation, for infill incentive grants for capital outlay related to infill housing development and other related infill development, and for brownfield cleanup that promotes infill housing development and other related infill development consistent with regional and local plans, subject to the conditions and criteria that the Legislature may provide in statute.

This bill would require the Department of Housing and Community Development, upon appropriation by the Legislature of the funds in the

Regional Planning, Housing, and Infill Incentive Account for certain purposes, to establish and administer a competitive grant program to allocate those funds to selected qualifying infill projects, as defined, for capital outlay related to infill housing development and related infill infrastructure needs, in amounts of not less than an unspecified amount and not more than an unspecified amount per project per annual funding cycle.

The bill would require an unspecified agency, upon appropriation by the Legislature of the funds in the Regional Planning, Housing, and Infill Incentive Account for certain additional purposes, to allocate those funds to selected infill projects for the purposes of assessment, remedial planning and reporting, and technical assistance, and for the cleanup, remediation, or development of brownfield sites, or for other similar or related costs.

~~The Housing and Emergency Shelter Trust Fund Act of 2006 authorizes the issuance of bonds in the amount of \$2,850,000,000 pursuant to the State General Obligation Bond Law. Existing law provides that the proceeds from the sale of these bonds is used to finance various existing housing programs, capital outlay related to infill development, brownfield cleanup that promotes infill development, and housing-related parks.~~

~~This bill would make technical, nonsubstantive changes in this provision.~~

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~ yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. *The Legislature finds and declares that it is the*
- 2 *intent of the Legislature that appropriations for the expenditure*
- 3 *of funds deposited in the Regional Planning, Housing, and Infill*
- 4 *Incentive Account established under subdivision (b) of Section*
- 5 *53545 of the Health and Safety Code be based on, but not be*
- 6 *limited to, the following purposes:*
- 7 (i) *To encourage the development of high density infill housing*
- 8 *and mixed-use development for all levels of income and locations*
- 9 *near job centers and transit stations, thereby reducing vehicle*
- 10 *trips, commute times, vehicle miles traveled, and vehicle emissions.*
- 11 (b) *To invest in established, urban neighborhoods by producing*
- 12 *new housing and improving related neighborhood infrastructure,*

1 *such as city streets, parks, and sewer and utility hookups, cleaning*
2 *up brownfield sites, and furthering other similar or related*
3 *purposes.*

4 *(c) To provide sustainable economic development and affordable*
5 *housing.*

6 *(d) To protect the state's rich agricultural farmland, open*
7 *spaces, and sensitive habitat.*

8 *(e) To promote the reuse and recycling of previously developed*
9 *and passed-over land in urban areas, with a focus on*
10 *environmentally distressed properties, or what are more commonly*
11 *known as brownfields.*

12 *(f) To reward projects that are consistent with regional and*
13 *local planning processes and accomplish any of the following:*

14 *(1) Improve mobility and reduce dependency on single-occupant*
15 *vehicle trips.*

16 *(2) Accommodate an adequate supply of housing for all income*
17 *levels.*

18 *(3) Reduce impacts on valuable habitat, productive farmland,*
19 *and air quality.*

20 *(4) Conserve resources such as energy and water.*

21 *(5) Revitalize existing neighborhoods.*

22 *SEC. 2. Section 53545.12 is added to the Health and Safety*
23 *Code, to read:*

24 *53545.12. (a) For the purposes of the grant program*
25 *established under this section, the following definitions apply:*

26 *(1) "Eligible applicant" means a sponsor of a project-specific*
27 *application, and may include a for-profit or nonprofit entity, a*
28 *city, a city and county, a county, or a local redevelopment agency.*

29 *(2) "Qualifying infill project" means a residential or mixed-use*
30 *residential project located within an urbanized area on a site that*
31 *has been previously developed, or a vacant site where the*
32 *properties adjoining at least two sides of the project site are, or*
33 *previously have been, developed.*

34 *(A) An urbanized area is as defined by the United States Census*
35 *Bureau.*

36 *(B) A property is adjoining the side of a project site if the*
37 *property is separated from the project site only by an improved*
38 *public right-of-way.*

39 *(b) Upon appropriation of funds by the Legislature for the*
40 *purpose of implementing paragraph (1) of subdivision (b) of*

1 Section 53545, the department shall establish and administer a
2 competitive grant program to allocate those funds to selected
3 qualifying infill projects for capital outlay related to infill housing
4 development and related infill infrastructure needs that are an
5 integral part of the infill housing development, in amounts of not
6 less than _____ dollars (\$_____) and not more than _____ dollars
7 (\$_____) per project per annual funding cycle.

8 (c) The department shall award the grants on or before the end
9 of the fiscal year in which funds are appropriated for the grant
10 program.

11 (d) The department shall establish a reasonable deadline by
12 which grant award recipients are required to encumber the grant
13 awards. All funds unencumbered on or before the established
14 deadline shall revert to the department for reallocation in a
15 subsequent grant award funding cycle.

16 (e) Capital outlay related to infill housing or mixed-use
17 development and other related infill infrastructure that may be
18 funded under the grant program includes, but is not limited to, all
19 of the following:

20 (1) Cost of development, including construction and related
21 planning and design.

22 (2) Project-specific creation, development, or rehabilitation of
23 park or open space.

24 (3) Water, sewer, utilities, or other infrastructure related to a
25 specific infill development project.

26 (4) Roads, parking structures, transit linkages, including, but
27 not limited to, plazas, pedestrian paths, and bus and transit
28 shelters.

29 (5) Support for alternative transit modes, including, but not
30 limited to, walking, bicycling, and ride sharing.

31 (6) Transportation improvements other than those listed in
32 paragraphs (4) and (5) that are related to a specific infill
33 development project.

34 (7) Traffic mitigation.

35 (8) Demolition and site preparation.

36 (9) Sidewalks and streetscapes.

37 (f) A qualifying infill project shall be located in a city, county,
38 or city and county, in which the general plan of the city, county,
39 or city and county, has an adopted housing element that has been
40 found by the department, pursuant to Section 65585 of the

1 *Government Code, to be in compliance with the requirements of*
2 *Article 10.6 (commencing with Section 65580) of Chapter 3 of*
3 *Division 1 of Title 7 of the Government Code.*

4 *(g) (1) A qualifying infill project shall include not less than 15*
5 *percent affordable units, as defined in paragraph (3).*

6 *(2) For projects that contain both rental and ownership units,*
7 *units of either or both product types may be included in the*
8 *calculation of the affordability criteria.*

9 *(3) To the extent included in a project grant application, for the*
10 *purpose of calculating the percentage of affordable units, the*
11 *department shall consider the entire master development in which*
12 *the development seeking grant funding is included.*

13 *(4) For the purposes of this subdivision, "affordable unit" means*
14 *a unit that is offered for rent at a rate that is at or below ___ percent*
15 *of the area median income or is offered for sale at a price that is*
16 *at or below ___ percent of the area median income.*

17 *(h) A qualifying infill project shall include densities that, at a*
18 *minimum, meet the density requirements established under*
19 *subparagraph (B) of paragraph (3) of subdivision (c) of Section*
20 *65583.2 of the Government Code.*

21 *(i) A qualifying infill project shall be located in an area*
22 *designated for mixed-use or residential development pursuant to*
23 *one of the following adopted plans:*

24 *(1) A general plan.*

25 *(2) A project area redevelopment plan.*

26 *(3) A regional blueprint plan.*

27 *(4) A regional transportation plan.*

28 *(5) A capital improvement plan.*

29 *(j) An applicant seeking a grant award for a qualifying infill*
30 *project may include all components of a master development that*
31 *include the development seeking grant funding.*

32 *(k) In its review and rating of applications for the award of*
33 *grants, the department shall rank eligible infill projects based on*
34 *the following priorities:*

35 *(1) Project readiness, which shall include a determination by*
36 *the department that the project can proceed to construction in a*
37 *timely manner based on the status of the project's environmental*
38 *review, securing of necessary zoning and entitlements, commitment*
39 *of funding contributions derived from other than the Housing and*

1 *Emergency Shelter Trust Fund Act of 2006, and level of local*
2 *support.*

3 (2) *The extent to which the project exceeds the affordability*
4 *threshold contained in subdivision (g).*

5 (3) *The extent to which the project exceeds the density thresholds*
6 *contained in subdivision (h).*

7 (4) *The extent to which the project includes elements designed*
8 *to achieve reductions in vehicle trips, emissions, or miles traveled,*
9 *based on the following criteria:*

10 (A) *Proximity to public transit stations, as that term is defined*
11 *in subdivision (b) of Section 65460.1 of the Government Code,*
12 *and the project's likelihood of increasing transit ridership.*

13 (B) *Proximity and accessibility to retail and job centers.*

14 (C) *Components that support alternative transit modes,*
15 *including, but not limited to, walking, bicycling, and ride sharing.*

16 (D) *Inclusion in an adopted regional blueprint plan or other*
17 *regional growth plan that fosters efficient land use.*

18 (E) *The availability of pedestrian friendly project features.*

19 (l) *In allocating funds to projects pursuant to this section, the*
20 *department, to the maximum extent feasible, shall ensure a*
21 *reasonable geographic distribution of funds.*

22 (m) *Funds awarded pursuant to this section shall supplement,*
23 *not supplant, other available funding.*

24 (n) *The department shall adopt guidelines for the operation of*
25 *the grant program, and may administer the program under those*
26 *guidelines for 24 months after the date of adoption of the*
27 *guidelines, during which time the guidelines shall not be subject*
28 *to the requirements of Chapter 3.5 (commencing with Section*
29 *11340) of Division 3 of Title 2 of the Government Code.*

30 (o) *On or before April 1, 2008, and on or before April 1 of each*
31 *fiscal year covering the duration of the grant program, the*
32 *department shall provide a report to the Legislature on its activities*
33 *relating to the administration of the program. At a minimum, the*
34 *report shall include a summary of the projects that receive grants*
35 *under the program for each fiscal year grants are awarded. The*
36 *report shall include the description, location, and estimation of*
37 *completion for each project that receives a grant award under this*
38 *section.*

39 SEC. 3. *Section 53545.14 is added to the Health and Safety*
40 *Code, to read:*

1 53545.14. (a) For the purposes of allocating funds under this
2 section, the following definitions apply:

3 (1) “Brownfield site” has the same meaning as that term is
4 defined under Section 44504.1.

5 (2) “Eligible applicant” means a sponsor of a project-specific
6 application, and may include a for-profit or nonprofit entity, a
7 city, a city and county, a county, or a local redevelopment agency.

8 (4) “Qualifying infill project” means a residential or mixed-use
9 residential project located within an urbanized area on a site that
10 has been previously developed, or a vacant site where the
11 properties adjoining at least two sides of the project site are, or
12 previously have been, developed.

13 (A) “An urbanized area” has the same meaning as that term is
14 defined by the United States Census Bureau.

15 (B) A property is adjoining the side of a project site if the
16 property is separated from the project site only by an improved
17 public right-of-way.

18 (b) Upon appropriation of funds by the Legislature for the
19 purpose of implementing paragraph (2) of subdivision (b) of
20 Section 53545, the _____ shall allocate those funds to qualifying
21 infill projects for the purposes of assessment, remedial planning
22 and reporting, and technical assistance, and for the cleanup,
23 remediation, or development of brownfield sites, or for other
24 similar or related costs.

25 (c) In its review and rating of applications for funding under
26 this section, the _____ shall give priority to applicants from
27 economically struggling communities, as defined in subdivision
28 (j) of Section 8090 of Title 4 of the California Code of Regulations.

29 (d) On or before April 1, 2008, and on or before April 1 of each
30 fiscal year covering the duration of allocation of funds under this
31 section, the _____ shall provide a report to the Legislature on its
32 activities relating to the administration of this section. At a
33 minimum, the report shall include a summary of the projects that
34 receive funds under this section for each fiscal year funds are
35 awarded. The report shall include the description, location, and
36 estimation of completion for each project that receives funds under
37 this section.

38 ~~SECTION 1. Section 53546 of the Health and Safety Code is~~
39 ~~amended to read:~~

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14 **CORRECTIONS:**
15 **Title—Lines 1 and 2.**
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